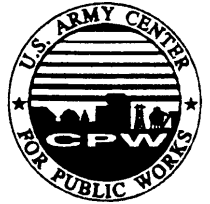




REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY CENTER FOR PUBLIC WORKS
7701 TELEGRAPH ROAD
ALEXANDRIA, VIRGINIA 22315-3862



CECPW-C (420-41b)

18 January 1995

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementation of New Policy and Guidance on the
Acquisition and Sales of Utilities Services

1. References:

a. Federal Register, Volume 59, No. 248, December 28, 1994,
Rules and Regulations.

b. Armed Services Procurement Regulation (ASPR) Supplement
No. 5, 1 October 1974, Procurement of Utility Services.

c. TB ENG 54, 14 September 1959, Repairs and Utilities--
Utilities Contracts.

d. Technical Note (TN) 420-41-1 (revision 1), 21 January
1992, Guidance for Calculation of Rates for the Sale of Utilities
Services.

e. Army Regulation (AR) 420-41, 15 September 1990,
Facilities Engineering--Acquisition and Sale of Utilities
Services, as amended by Interim Change No. 01, 30 September 1992.

2. The long awaited "Federal Acquisition Regulation (FAR) Part
41--Acquisition of Utilities Services" has been published as a
final rule in reference 1a. FAR Part 41 and the DOD FAR
Supplement Part 241 will supersede FAR Subpart 8.3 and reference
1b, effective 27 February 1995. Therefore, effective on the
before mentioned date, all utilities services contracts submitted
for higher headquarters approval shall comply with the policy
prescribed by the new FAR Part 41 and DOD FAR Supplement Part
241.

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3. It is our understanding that FAR Part 41 is being incorporated into the FAR through Federal Acquisition Circular 90-23. DoD FAR Supplement Part 241 was published about two years ago. Recommend that personnel from the Directorate of Public Works and the Directorate of Contracting, dealing with the procurement of utility services, become familiar with these regulations as soon as possible.

4. There are installations that still continue to use the obsolete TB ENG 54 (reference 1c) for their computations of utilities services sales rates. TB ENG 54 was superseded by the 1 September 1989 version of the TN 420-41-1. Reference 1d is the present version of the TN 420-41-1. This Directorate will no longer approve utilities sales rates computations based on the TB ENG 54. All submissions of utilities sales rates computations based on TB ENG 54 will be returned for recomputation.

5. Point of Contact at this Directorate is Mr. Rafael Zayas, Assistant Deputy Army Power Procurement Officer, DSN 345-7364 or COMM (703)355-7364.

FOR THE DIRECTOR:

A handwritten signature in black ink, reading "Thomas J. Evans". The signature is written in a cursive, flowing style.

THOMAS J. EVANS, P.E.
Deputy Army Power
Procurement Officer

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Acquisition and Sales of utilities Services

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SUBJECT: Implementation of New Policy and Guidance on the
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